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TO: All Regional Management

Subject: **Winston No Bull Follow Up**

In preparation for the upcoming Winston Launch meetings, I have prepared answers to a number of questions which have risen:

- Third quarter Workplan
- Winston Box distribution objectives
- POS / PDI items and expected delivery dates
- Early aggressive discounting of Select in SM
- Regional PCD display load
- Challenge to DM's and KAM's to communicate selling and implementation expectations by job level.
- Importance of Stick to Stick comparison advertising during August.
- Direct Account accountabilities

Third quarter Workplan

Although heavy, not unrealistic if we all work together and accomplish our individual accountabilities by the dates established for each program.

July we will VAP 3 promotions, Camel B2G2F, Camel Menthol B2G2F, and Doral Flashlights (VAP accounts and CTS).

July Seattle and Portland will work Camel Beach Sunglasses and SME Drag promotions.

August we will VAP 2 promotions, Camel B2G T - Shirt, and Winston B2G2F.

August CTS Winston Onsert DSD. These need to be sold, display location and additional product to support onserts.

Sept. we will VAP 2 promotions, Doral B2G1F (VAP accounts and CTS), and Winston B2G2 Lighters.

Sept we will also work Doral SM and CTS Onserts DSD. These need to be sold, display location and additional product to support onserts.

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July Workplan Logistics (DTS 6/30/97 -
8/97)

	** CAMEL B2G2F	CAMEL * Menthol B2G2F	* DORAL B2G Flashlight
I. Selling/Execution Detail			
Promotion Details	Buy 2 Packs Get 2 Packs Free "pre-sleeved product." Offer includes name generation/lighter bounceback offer.	Buy 2 Packs Get 2 Packs Free "pre-sleeved product." Offer includes name generation/lighter bounceback offer.	B2GF Flashlight includes postage- paid name generation and 50¢ off coupon for Panasonic batteries. Work opportunistic styles such as Menthol and Box as appropriate.
Display Size/Load	1	1	20
Offer/Materials - Item #:	Display/POS Kit 529235	Display/POS Kit 529265	Display/POS Kit with Sleeves 527813
Includes:	Counter Display preassembled, Large Paster	Counter Display preassembled, Large Paster	Counter Display preassembled, 20 offers with postage-paid name generation, 50¢ off coupon for Panasonic batteries and paster card
-Offers per SKU	20	20	20
- SKU Allocation	10,590	504	4,098 General Mkt 616 CTS
- Pre-sleeved Cartons per SKU	10	10	
- SKU Packing:	1	1	1
Recommended Displays	in SKU	in SKU	in SKU
II. ROU Detail			
Promotion #	700036	700038	700727
Last Date for PO's from DA's	5/23	5/23	6/11
First Delivery Date to Direct Accts:	6/11	6/11	6/23
DA Delivery to Retail	6/23 - 6/27	6/23 - 6/27	7/13 - 7/17
Reporting Dates:	6/30 - 8/29/97	6/30 - 8/29/97	8/4 - 9/26/97
SIS Reporting:	CAM JULY B2G2F	CA MTH JULY B2G2F	DOR FLASHLIGHT
Promotional UPC	012300-23860	012300-23860	012300-23850
Product UPCs	Filter Box - 24172 Lt Box - 24173	Menthol Box - 24174 Menthol Lts Box - 24175	Doral Box FF Doral Box LT Doral Box FF100 Doral Box L100

- * WAM accounts will participate in this promotion.
- * CAMEL B2G2F will be pre-sleeved in Winston-Salem. Each carton will contain two B2G2F offers plus two live packs. Each 6M case contains 60 B2G2F offers plus 60 live packs. Direct accounts should place ten pre-sleeved cartons in each counter display and ship to retail. It is not necessary to load display. Recommended VAP payment to direct accounts is \$14 per live 12M case to place cartons in preassembled display and ship. This equates to \$4.20 per 6M promotional case (RE: FSC-24-A).
- * Cigarette/tobacco stores with pack promotion opportunities will participate in this promotion.

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**July Workplan Logistics (DTS 6/30/97 -
8/97)**

	CAMEL B2GF Sunglasses	WINSTON Drag B2GF 16 oz. Glass
I. Selling/Execution Detail		
Promotion Details	Buy 2 Packs Get Free Sunglasses w/ case (Portland / Seattle Markets)	Buy 2 Get Free 16 oz Glass (To support Drags 8/2)
Display Size/Load	1	20
Offer/Materials - Item #:	Display/POS Kit #522890	Display/POS Kit #530732
Includes:	Counter Display, Large Paster, 20 Sunglasses offers	Preassembled Display, Dump Bin Riser Card, 20 Glass offers
-Offers per SKU	20	20
- SKU Allocation	800	100
- Pre-sleeved Cartons per SKU	NA	NA
- SKU Packing:	1	1
Recommended Displays	in SKU	in SKU
II. ROU Detail		
Promotion #	700075	701251
Last Date for PO's from DA's	NA	NA
First Delivery Date to Direct Accts:	NA	NA
DSD Delivery to Retail	6/23	7/21
Reporting Dates:	2/3 - 9/6	6/30 - 11/28
SIS Reporting:	CAMEL SUNGLASSES	WIN DRAG GLASS
Promotional UPC	12300-23860	12300-70373
Product UPCs	Filter Box Lt Box	Winston Box Styles

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**August Workplan Logistics (DTS 8/4/97 -
8/29/97)**

	* CAMEL B2G T-Shirt	WINSTON August B2G2F (DTS 8/4-8/29)	WINSTON August CTS Carton Onsert (DTS 8/4-8/28)
I. Selling/Execution Detail			
Promotion Details	B2G Black T-Shirt includes name generation and Retro Lighter bounceback offer.	Buy 2 packs get 2 free. Includes Product Story Insert.	Buy 1 carton with onsert that includes "stick to stick" comparison - (Not a coupon) Field may also apply appropriate discount offer.
Display Size/Load	20	20	250
Offer/Materials - Item #:	Display/POS Kit with Sleeves # 530264	Display/POS kit with sleeves # 526982	529601 - POS Kit 529610 - Onsert
- Includes:	Counter Display preassembled, 20 offers with name generation, paster, CAMEL Cash Catalog.	Counter Display Pre-assembled, 20 pre-assembled sleeves, 1 DBRC	529601- 1 header card, 2 side cards, 1 large paster 529610 - Onserts
- SKU Packing:	20	20	Onserts - 100/SKU POS - 1/SKU
- SKU Allocation	11,095	3,795	423
- Pre-sleeved / LiveCartons per SKU	4 "live"	10 "pre-sleeved"	NA
- SKU Packing:	1	1	250
Recommended Displays	in SKU	in SKU	CTS 8 Case Display - 527951
II. ROU Detail			
Promotion #	700040	700465	701096
Last Date for PO's from DA's	7/1	6/9	NA
First Delivery Date to Direct Accts:	7/5	7/1	NA
DA Delivery to Retail	8/11 - 8/14	7/28 - 8/1	7/28
Reporting Dates:	8/4 - 9/26	8/4 - 9/26	8/4 - 9/26
SIS Reporting:	CAM AUG T-SHIRT	WIN AUG B2G2F	WIN AUG CIG/TOB
Promotional UPC	012300-23860	012300-70373	NA
Product UPCs	Filter Box Lt Box	Win FF 85 Box - 0124091000 Win Lt 85 Box - 0124092000	NA

* WAM accounts will participate in this promotion.

* Cigarette/tobacco stores with pack promotion opportunities will participate in this promotion.

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September Workplan Logistics
(DTS 9/1 - 9/26)

	** DORAL B2G1F	DORAL Cigarette/Tobacco Store Carton Onsert	DORAL Supermarket Carton Onsert	WINSTON B2G2 Lighters (DTS 9/29-10/31)
I. Selling/Execution Detail				
Promotion Details	Buy 2 Packs Get 1 Free "pre-sleeved" product. Offer includes name generation	DORAL & Co. sign-up carton onsert and <u>continuity</u> offer (not a coupon). Field may also apply appropriate discount offer.	DORAL & Co. sign-up carton onsert (not a coupon). Field may also apply appropriate discount offer.	Buy 2 packs get 2 lighters. Includes product story insert.
Display Size/Load	21	300 - 500	100	20
Offer/Materials - Item #:	530030	Onsert - 530204 Display Kit - 530183	Onsert - 530171	Display/POS kit with sleeves 527552
- Includes:	Counter Display Preassembled, POS Card	530204-Onserts 530183-Display Kit consists of: 2 Header Cards, 2 Side Cards and Paster	Onserts - 530171 DBRC - 530162 24" PMC - 530165	
- SKU Packing:	1 SKU	Onserts - 100/SKU POS - 1/SKU	Onserts - 100/SKU POS - 1/SKU	1 SKU
- SKU Allocation	4,080	374	432	3,790
- Pre-sleeved / LiveCartons per SKU	7	NA	NA	4 "live"
- SKU Packing:	1	100	100	1
Recommended Displays	in SKU	527951 * CTS 8-Case Display	524771 90-Carton Floor Display	in SKU
II. ROU Detail				
Promotion #	701143	701158	701157	701649
Last Date for PO's from DA's	8/4	N/A	N/A	7/22
First Delivery Date to Direct Accts:	8/15	N/A	N/A	8/1
DA Delivery to Retail	9/1 - 9/4	DSD 8/28	DSD 8/28	8/25-8/29
Reporting Dates:	9/1 - 10/31	9/1 - 10/31	9/1 - 10/31	9/1 - 10/31
SIS Reporting:	DOR B2G1F SEPT.	DOR SEPT CIG/TOB	DOR SEPT SUP MKT	WIN SEP B2GLTRS
Promotional UPC	012300-23850	N/A	N/A	012300-70373
Product UPCs	Lts Mthl - 22592 Lts 100 - 22589 FF 100 - 22590 Ult 100 - 22594	N/A	N/A	Win FF 85 Box Win Lt 85 Box

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- * WAM accounts will participate in this promotion.
- * **DORAL B2G1F** will be pre-sleeved in Winston-Salem. Each carton will contain three B2G1F offers plus one live pack. Each 6M case contains 90 offers per case plus 30 live packs. Direct accounts should place seven pre-sleeved cartons in each counter display and ship to retail. It is not necessary to load display. Recommended VAP payment to direct accounts is \$14 per live 12M case to place cartons in preassembled display and ship. This equates to \$4.90 per 6M promotional case (RE: FSC-24-A).

Winston Box Distribution

As outlined in the Winston fact book we want to target the FF, LT, LT 100 box styles in the monthly package outlets in order to achieve the stated objectives. You will need to run a list of accounts without these styles for your people.

Winston Ultra Light King and 100 box must be targeted to all contracted SM and CTS outlets. This will achieve a 35 percent CIV distribution for the brands. We will evaluate the movement in these outlets and determine the objectives for package outlets by fourth quarter.

We must effectively sell not only the brand but also the expected package and carton merchandising for SM and CTS.

POS / PDI Items

The POS orders placed during January for the May target launch will be used for the August launch. The order placed in January will ship to the field July 7. A small quantity of residual POS will be available once all shipment have been completed. The ROU will order any of this residual which is available. We also have available supplemental POS and PDI items to support the Winston August launch. These items will be drop shipped directly to the S/R and R/R SMS shipping addresses based on the attached list within the same time frame as the Workplan POS.

PDI/Supplemental POS Details

All of the items below must be ordered by the ROU

Available for order: 6/2/97

First ship date 7/7/97

1 per sku unless otherwise noted

<u>Stick to Stick Comparison Advertising</u>	<u>Item #</u>	<u>per RR</u>	<u>per TR</u>	<u>per SR</u>
5'x3' Stick to Stick Banner (inside) - 10/sku	528185	2	1	1
Stick to Stick Changemat - 25/sku	528140	2	1	1
6"x4" Stick to Stick Card w/BRC - 1/sku	527570	400	300	300

<u>Supplemental POS/Miscellaneous</u>	<u>Item #</u>	<u>per RR</u>	<u>per TR</u>	<u>per SR</u>
Small Naked Paster	527591	50	75	25
Pack Graphic Attachment	529550	75	75	25
No Bull Decal	527600	50	75	25
Naked 3D Pack Stick On	529553	50	75	25
Retailer Sweepstakes Cards 50/sku	530231	2	2	2
2 Free Pack Consumer Mission Coupons 20/sku	530075	2	2	2
No Bull Letterhead**	N/A	N/A	N/A	N/A
Retailer Matches	527582	note 1	note 1	note 1
Select Small PPD Card	529994	75	75	25

	<u>General Market PDI</u>	<u>Item #</u>	<u>per RR</u>	<u>per TR</u>	<u>per SR</u>
*	5'x3' Attitude Banner (Drive 1-inside)10/sku	528182	1	0	0
*	9'x3' Attitude Banner (Drive -outside)10/sku	528173	0	2	2
*	5'x3' Attitude Banner (Drive 2-inside)10/sku	532112	1	0	0
*	9'x3' Attitude Banner (Drive 2-outside)10/sku	532103	1	0	0
*	Semi Permanent Display 1/sku 100	527603	note 2	note 2	note 2
*	Window/Wall Crash Pack 1/sku	528155	0	5	5
*	WINSTON Ceiling Logo 1/sku	532052	0	50	5

* Identified most effective menu items by test region

**One time supply to be provided per field requests.

Note: Items in **Bold** typeface - choice of minimum of one placed in each call (see page 18 for)

note 1. - allocated and shipped based on contracted calls

note 2. - allocated and shipped based on Level 1 contracts per retail rep assignment

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Early Aggressive Discounting

Based on the merchandising in Supermarkets for Select and the share of market, we are seeing an aging of Select in these outlets. Surveys indicate that there are large quantities of six month old product on hand. In order to minimize return goods, you are authorized to apply aggressive discounting on Select styles during June. During June your activity should concentrate on cartons.

Regional PCD Load plan for August

Camel Box F, LT
Camel Men, F, LT Soft

Camel 99, Wides
Winston F, Fbox, Ltbox, Lt100box

Camel Box F, LT

Camel Men ,Camel 99, Wides
Winston F, Fbox, Ltbox, Lt100box

Camel Box F, LT
Camel Men ,Camel 99, Wides

Winston F, Fbox, Ltbox, Lt100box

Camel Box F, LT
Camel Men ,Camel 99, Winston F, Fbox, Ltbox, Lt100box

Regional standard for 1 FPD is the placement of the Winston Tower display in order to communicate the brand message.

KAM and DM expectations by job level

The concern in Winston Salem is that we have not effectively introduced a new brand on a nation wide basis since SF2000. Many of your people have never been a part of a introduction of the magnitude. In order to achieve the stated objectives, it is imperative that you communicate the vision for the introduction and your expectations for each job level and individual in your organization. We can not leave it to chance that everything will get done. You must clearly define what you want, and where, to your people. Likewise you must establish the benchmarks to measure the implementation of your expectations.

- Return procedures by direct and chain need to be clearly communicated
- Box distribution and merchandising objectives - Updated P-O-G
- Retail education program
- Consumer Mission
- Coverage
- Winston Tower Temp display authorization for 1 FPD accounts
- Supplemental POS authorization in both chain and independents

Stick to Stick Comparison

To facilitate the retailer and consumer education process, we need to focus our POS and PDI efforts during August on the Stick to Stick comparison advertising. As stated in the critical supplemental POS strategy, we are challenged to sell the placement of a minimum of one of the stick to stick POS pieces per account. These items consist of a Changemat, Banner, or large poster. The attitude PDI (No Bull) should be placed secondary to the stick to stick during August.

Direct Account Accountabilities

KAM's need to follow through on the commitment to communicate which direct accounts they will need help with the weekly coverage.

Ensure the return upcharge for directs is actually waived, and communicated to the field. Due to the carton for carton exchange guidelines, it will be imperative that direct account inventory levels are at a minimum of 125 percent on Winston styles during August and September. This may necessitate weekly coverage to continue as well as exception orders to be approved.

Special attention is needed to the third quarter workplan. The dates are tight and the promotions are many.

Obviously, this is not all inclusive of the meeting material. It is intended to pull some of the loose ends together. The DM's should focus on FSC 81 B Region Winston Launch Meetings to develop the outline for their breakout meetings. The objective for the breakout meetings is to establish a detailed action plan for effectively implementing the Winston Launch along with the other workplan objectives.

Sincerely,
David Williams
Larry Harbaugh